

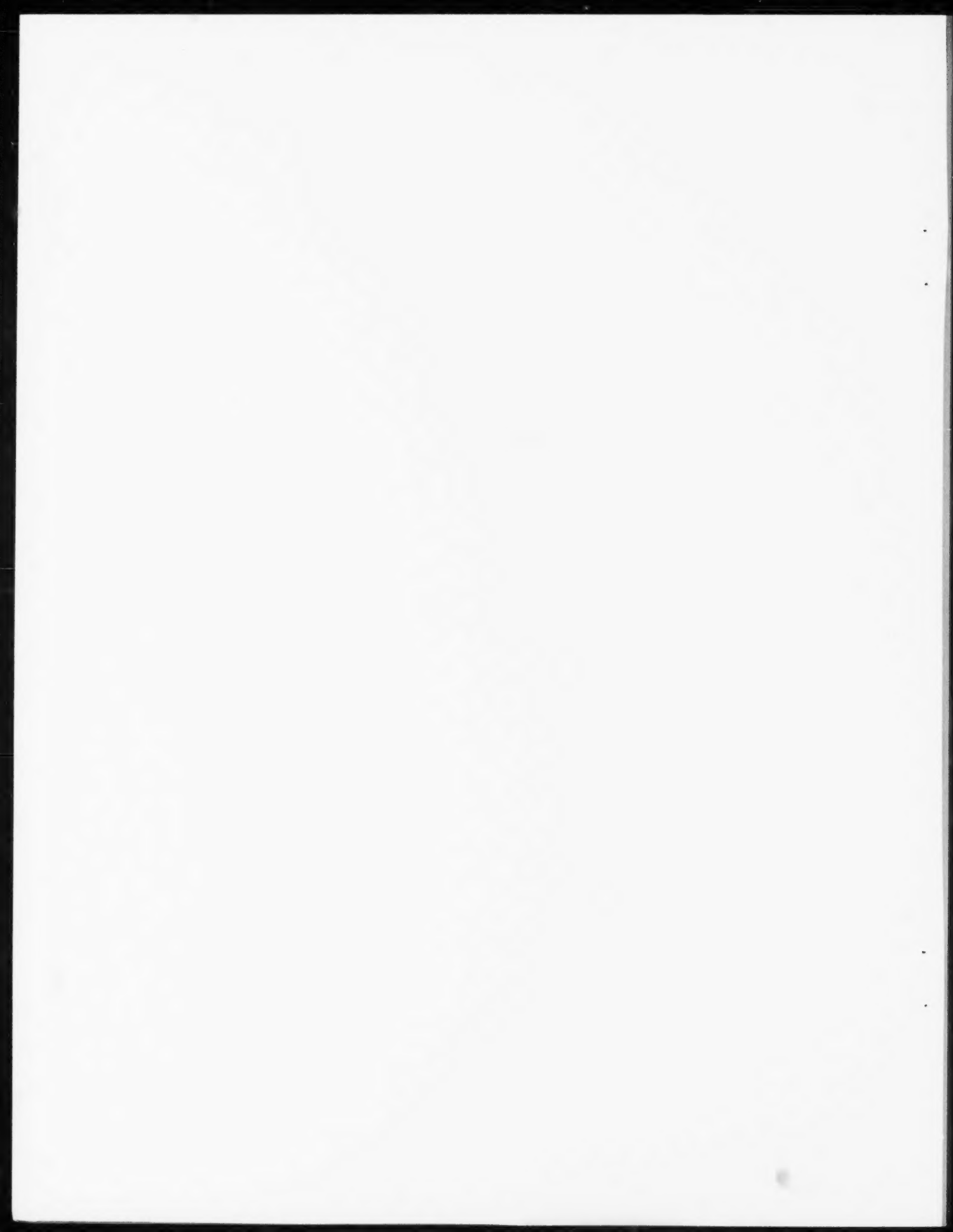
PROVINCE OF SASKATCHEWAN



11-12

PLAN FOR 2011-12

MINISTRY OF FINANCE



# MINISTRY PLAN FOR 2011-12

## Statement from the Minister



I am pleased to present the Ministry's Plan for 2011-12, which aligns with the Government's plan and Budget for 2011-12, the *Saskatchewan Advantage*, and to the mandate letter written to me from the Premier of Saskatchewan.

Government's plan for the upcoming year is a balanced approach – one that reduces taxes, pays down debt and balances the budget while improving services for all Saskatchewan citizens. Improved financial circumstances allow the Province to achieve more competitive tax rates: by reducing small business taxes, by providing more relief on education property tax levels, and by increasing personal exemptions on personal income taxes.

The Ministry of Finance will continue to deliver needed public services in a timely, efficient manner that maximizes value to taxpayers. Examining our programs and services to ensure the most effective and efficient delivery possible continues to be a key priority for all ministries and results will be reported on as they are achieved.

I accept responsibility for furthering Government's commitments while ensuring the Ministry is managed with integrity and professionalism. We will report on the progress made toward this Plan, within the financial parameters provided to my Ministry, in the Ministry's annual report.

*The Honourable Ken Krawetz*  
*Deputy Premier*  
*Minister of Finance*

## Response to Government Direction

Government's plan for the upcoming year is described in the *Government Direction for 2011-12: The Saskatchewan Advantage*. The 2011-12 Budget supports this plan by maintaining and improving our quality of life through enhanced public services and creating more opportunities for all Saskatchewan citizens. Responsible fiscal management means finding the right balance between debt reduction, tax relief, investing in short-term capital infrastructure projects, and matching program spending to long-term, sustainable revenues.

Meanwhile, Government continues to promote effectiveness and efficiency throughout the public service; is continuing with its four-year plan to reduce Government's footprint; and has adopted a "Lean" culture of continuous improvement in the delivery of programs and services.

Ministry Plans for 2011-12 support the fulfillment of Government's **vision for a secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all**. Government's goals and priorities for the upcoming year are described in the *Government Direction* document, as well as in each ministry plan.

The Plan for 2011-12 communicates a high-level framework for the Ministry's key activities in the upcoming year. All ministries and agencies will report on results achieved or not yet achieved, in their annual reports, to honour Government's commitment to keep its promises, and to ensure greater transparency and accountability to Saskatchewan people.

## Mission Statement

Provide expert economic, financial and fiscal policy advice and professional services in the management and control of the Government's revenues, expenditures and financial assets and liabilities.

# Strategies and Actions

## Government Goal – Economic Growth

Sustain **Economic Growth** for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

### Strategy

**Support Government's priorities through a sound financial plan**

### Key 2011-12 Actions

- Examine expenditures to ensure they align with Government's priorities and that programs are economical, efficient, and effective.
- Review provincial tax policies to ensure the tax system is fair, adequate, and competitive. This analysis assisted the Government in introducing a number of tax reductions in the 2011-12 Budget, including the second stage of education property tax reform, a \$1,000 increase to the basic and spousal tax credit amounts, a \$500 per child increase in the dependent child amount and a reduction in the small business corporate income tax rate from 4.5 per cent to 2 per cent.
- Support the Province in the negotiation and approval of major intergovernmental fiscal transfers.
- Issue timely economic and fiscal forecasts, reports and analysis, as part of the annual planning, budget, and accountability processes.
- Optimize revenue to the Province through fair policies and systems to ensure greater voluntary payment of and compliance with taxes owing to the Province.

## Government Goal – Security

**Secure** Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

### Strategy

**Assess Saskatchewan's tax system to ensure it is competitive and attracts and retains businesses, families, and individuals**

**Assess pension availability for Saskatchewan workers to ensure adequate retirement incomes**

**Promote secure, predictable federal transfer arrangements that support stable, equitable funding for health and social programs**

### Key 2011-12 Actions

- Review Saskatchewan's competitiveness respecting personal and business taxes, including working with Enterprise Saskatchewan on future tax policy endeavours in relation to the distribution of tax among taxpayers and competitiveness.
- Monitor internal and external pressures on the whole provincial tax system and analyze the effects those pressures may have on the fairness, competitiveness, and sustainability of the tax system.
- The Finance analysis assisted the Government in implementing a number of tax reductions in 2011-12, including the completion of education property tax reform, increasing the basic and spousal tax credit amounts by \$1,000 and the dependent child amount by \$500 per child, and lowering the small business corporate income tax rate from 4.5 per cent to 2 per cent.
- Continue to review, with federal and provincial governments, Canada's current retirement income system. Specific actions include obtaining the views of stakeholder groups on key elements of the framework for Pooled Registered Pension Plans (PRPPs) prior to the development of regulatory legislation, as well as continuing to consider various options for modest and targeted expansion of the Canada Pension Plan.
- Work collaboratively with federal, provincial, and territorial governments to review the current fiscal arrangements and begin to develop options for the renewal of the major federal transfers, effective April 1, 2014.

## Government Goal – Promises

Keep Government's **Promises** and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

### Strategy

### Key 2011-12 Actions

**Ensure a sound financial management framework is in place across government**

- Ensure government-wide financial management policies and procedures are sound; also ensure government-wide accounting policies are in accordance with Public Sector Accounting Board (PSAB) pronouncements.
- Develop and deliver financial management fundamentals training for managers and employees to build financial management capacity in the public service.
- Assess the internal controls of the Government's financial systems and assist in the development and implementation of improvements where required.
- Ensure legislated spending limits of the Government are not exceeded.
- Update MIDAS, the Government's central financial system, to the latest release of Oracle software.

**Manage government debt in an efficient and cost-effective manner**

- Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet Government and Crown requirements.
- Service outstanding debt ensuring the timely and accurate payment of interest and principal.
- Reduce outstanding debt as directed. For 2011-12, a reduction in government general debt of \$325 million is planned.
- Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.
- As directed by Treasury Board, implement the transfer of budget surplus funds in accordance with *The Growth and Financial Security Act*.
- Maximize the return on investment of sinking fund and Growth and Financial Security Fund monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds.
- Provide cash management services for the General Revenue Fund (GRF), Crown corporations, and other government agencies.
- Maintain good working relationships with credit rating agencies to ensure accurate information is utilized in the analysis of the Province's creditworthiness.

**Provide excellent service to stakeholders**

- Make ongoing improvements to the Saskatchewan Electronic Tax Services (SETS) to satisfy our clients' needs for fast, efficient, and user-friendly electronic reporting and remitting of provincial commodity tax returns. In addition, continue to promote the use of electronic filing options to raise public awareness and to reduce the cost of program administration.
- Implement system changes and customer service strategies to automate and support the Business Portal project. The portal will provide a single point of contact for clients to do business across government with respect to registering businesses, reducing wait times and the cost of program administration.
- Provide quality service to pension and benefit plan supervisory boards, and plan members.



## Strategy

**Demonstrate leadership for good governance, transparency, and accountability across government**

**Explore taxation agreements that mutually benefit First Nations and the Province**

## Key 2011-12 Actions

- Ensure *The Growth and Financial Security Act* requirements are met by:
    - ~ providing decision makers with revenue and expenditure projections on a timely basis;
    - ~ reviewing programs and expenditures; and,
    - ~ monitoring the size of the public service and publicly reporting on its size relative to the Saskatchewan population.
  - Continue to collaboratively identify ways to improve Government's "managing for results" accountability system, placing increased focus on performance measures and evaluation to support Government's interest in public service renewal.
  - Provide guidelines, training, tools and supports to improve system-wide capacity for strategic planning, performance measurement, program evaluation, and reporting.
  - Provide information on Government's current financial position by issuing timely quarterly financial reports to the public.
  - Prepare timely, reliable, and relevant General Revenue Fund and Summary Financial Statements.
  - Provide input into the activities of Canadian and international accounting standard setting bodies.
  - Review and approve financial statements of Treasury Board Crowns and agencies.
  - Work with ministries and the federal government to develop fair and effective federal/provincial agreements that address common interests.
  - Provide analysis and advice on public sector bargaining issues and compensation strategies.
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- Continue to talk with interested First Nations about Tax Administration Agreements where the Province would relinquish the authority to levy the Liquor Consumption Tax on-reserve and allow the First Nation to levy its own fee on liquor sales on-reserve. These Agreements require the First Nations fee to be in the same form and level as levied off-reserve by the Province under *The Liquor Consumption Tax Act*, with all on-reserve revenue going to the First Nation.

## Strategy

**Improve the effectiveness and efficiency of the Ministry's programs and services so as to ensure the best use of public funds**

## Key 2011-12 Actions

- Continue to implement a management practice of assessment and continuous improvement to ensure a robust, objective, and multi-year assessment function.
- Improve the efficiency and effectiveness of the accounts payable processing function by consolidating the function in a centralized unit, redesigning and standardizing related processes and implementing enhancements to the MIDAS financial system to increase automation.
- Continue to lead a cross-ministry Lean project on expense forecasting to support informed decision-making in Government by implementing process improvements, building capacity for more accurate forecasting, and monitoring key project metrics.
- Lead a cross ministry Lean project on FTE forecasting to promote more timely and accurate FTE forecasting and improved human resource management across government by providing tools, training, revised formats and processes, and monitoring progress of this initiative.
- Implementation of PST Branch LEAN project to improve the timeliness and consistency of PST rulings provided to the public.
- Continue to work on a tax audit selection process and the allocation of audit resources to the highest risk areas.
- Cross-train and develop employee skills to increase staffing flexibility to address needs identified during business planning.
- Review alternatives for renewal of the Ministry's revenue management system.
- Continue the roll-out of the Real-Time Validation System to on-reserve stores on the basis of location, economic viability, and internet access to provide instant approval for tax-free purchases of fuel and tobacco made on-reserve by eligible purchasers.
- Increase direct deposit utilization and reduce number of advices printed and distributed by offering e-mailed advices to suppliers.
- Continue to expand the Government's purchase card program, including implementing a one-card solution for purchasing and travel.
- Increase efficiencies in the process for approval and tabling of financial statements of Treasury Board Crowns and agencies.



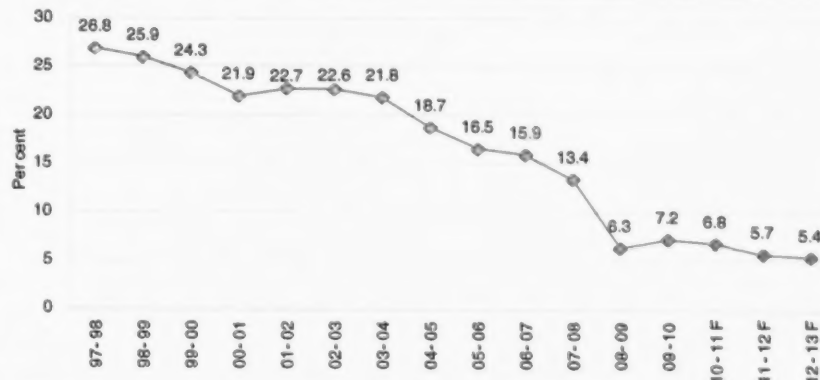
# Performance Measures

The Ministry of Finance has provided two broad categories of performance measures in its plan. The first set is a select group of government-wide indicators while the second set is a grouping of Ministry specific measures.

## Measure

## Baseline / Trend Line Information

**Government debt as a percentage of Gross Domestic Product (GDP) (Debt to GDP Ratio)**



Source: Saskatchewan Public Accounts, Saskatchewan Provincial Economic Accounts, and 2011-12 Saskatchewan Provincial Budget

### Measure Description

This measure is of interest internally, to the Ministry of Finance and to Government, as well as externally, to investors and credit rating agencies. A decreasing ratio indicates a declining drain on economic resources to service and repay debt and an associated increase in the fiscal flexibility of the Province. Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy. One facet of the Government's financial plan is to manage Government debt levels.

At March 31, 2010, the Government general public debt to GDP ratio was 7.2 per cent, an increase of 0.9 percentage points from March 31, 2009. The increase in the debt-to-GDP ratio was due to a decrease in nominal GDP from \$65.4 billion in 2008 to \$57.6 billion in 2009. Government general public debt was at \$4.1 billion in both years. Even with this increase, however, the debt-to-GDP ratio is significantly below previous years (13.4 per cent in 2007-08).

This ratio is influenced by the state of the global, North American, and Canadian economies, as well as the level of Government general public debt. While weak potash sales were a major contributor to Saskatchewan's economic contraction in 2009, Saskatchewan's economy was also affected by the global economic slowdown - evidenced by significant contractions in the economies of Canada, the US, the European Union, the United Kingdom, and Japan - as were the economies of all the other Canadian provinces.

This ratio is calculated by dividing GDP for the previous calendar year by the level of Government general public debt at March 31. Debt is gross debt net of sinking funds. Gross debt is the amount owed directly to lenders and sinking funds are funds set aside for the repayment of that debt. Government general public debt is debt borrowed to finance Government programs as opposed to debt borrowed for, and repayable by, Crown corporations.

## Measure

## Baseline / Trend Line Information

### Government credit ratings

Jurisdiction	Rating Agency		
	Moody's	Standard & Poor's	DBRS
British Columbia	Aaa	AAA	AA(high)
Alberta	Aaa	AAA	AAA
Saskatchewan	Aa1	AA+	AA
Manitoba	Aa1	AA	A(high)
Ontario	Aa1	AA-	AA(low)
Quebec	Aa2	A+	A(high)
New Brunswick	Aa2	AA-	A(high)
Nova Scotia	Aa2	A+	A
Prince Edward Island	Aa2	A	A(low)
Newfoundland and Labrador	Aa2	A+	A
Canada	Aaa	AAA	AAA

\*positive outlook or trend

### Measure Description

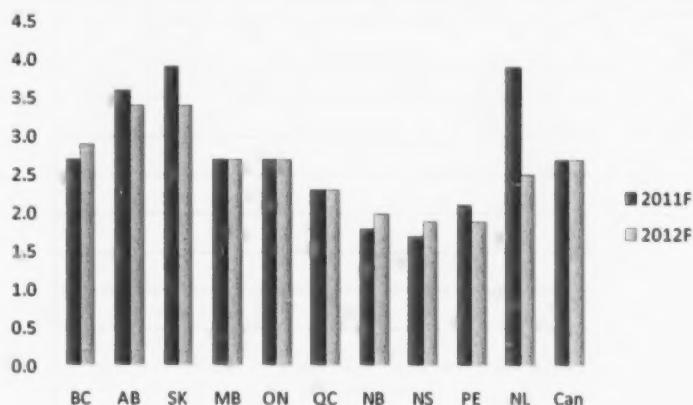
A credit rating is an independent evaluation by a recognized, objective, agency of a borrower's willingness and ability to service and repay debt. This measure is of interest to the Ministry of Finance and to Government, as well as to investors. Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap. Typically, the higher the credit rating, the lower the risk to the investor and the less the issuer will have to pay in borrowing costs.

Saskatchewan's credit rating compares well when ranked against other Canadian provinces. All credit rating agencies now rate the province at the "AA" level or above. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.

## Measure

### Private sector forecasts of real GDP growth

## Baseline / Trend Line Information



Source: Statistics Canada's Private and Public Investment Intentions Survey

### Measure Description

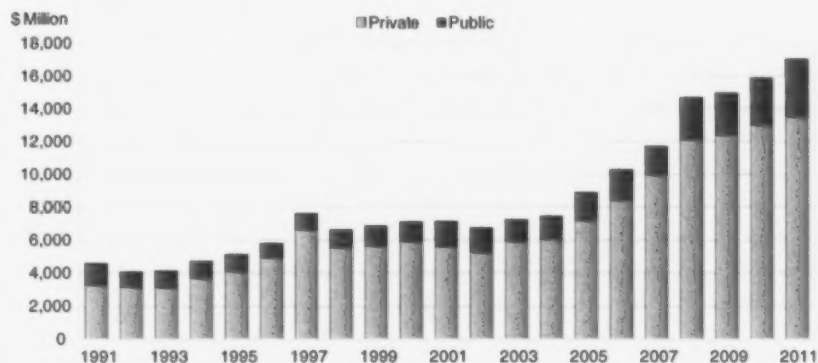
This measure is of interest internally, to the Ministry of Finance and to the rest of Government, as well as externally. Private sector forecasts of real GDP growth show how the private sector expects the Saskatchewan economy to perform relative to other provincial economies. Percentages considered here are the average of private sector forecasts.

Private sector forecasters, on average, expect Saskatchewan real GDP to grow by 3.9 per cent this year (the highest in Canada tied with Newfoundland and Labrador) and 3.4 per cent in 2012 (the highest in Canada tied with Alberta).

## Measure

### Total Capital Investment in Saskatchewan (public and private investment)

## Baseline / Trend Line Information



Source: Statistics Canada

### Measure Description

This measure is of interest internally, to the Ministry of Finance and to the rest of Government, as well as externally. Capital spending in the province demonstrates confidence in Saskatchewan as a place to invest and helps to provide for future economic growth.

The data come from Statistics Canada's Private and Public Investment Intentions Survey, which is an annual survey that collects data on the intentions for capital investment and the expenditures for the previous two years. Total capital investment in Saskatchewan increased by roughly 6.1 per cent from \$14.9 billion in 2009 to \$15.9 billion in 2010. Total capital investment in Canada as a whole increased by 10.3 per cent.

Saskatchewan's total capital investment in 2011 is expected to grow by 7.2 per cent to \$17.0 billion, the second highest growth among provinces. Private investment overall is expected to increase by 4.0 per cent while public investment is expected to increase by 21.9 per cent.

In 2011, non-residential capital investment in Saskatchewan is expected to increase by 7.0 per cent while residential capital investment is expected to grow by 8.9 per cent.

**Measure****Baseline / Trend Line Information****Income and sales taxes paid by representative taxpayers****Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers**

	2005	2006	2007	2008	2009	2010	2011
Single parent family earning \$25,000	\$466	\$382	\$176	\$20	(\$177)	(\$128)	(\$168)
One-income family earning \$50,000	\$4,124	\$4,001	\$3,679	\$2,207	\$2,098	\$1,858	\$1,471
Two-income family earning \$75,000	\$6,656	\$6,516	\$6,096	\$4,710	\$4,601	\$4,571	\$4,117

Source: Ministry of Finance, Tax Simulation Models and includes 2011-12 Saskatchewan Budget measures

**Measure Description**

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents. In 2011, income taxes for each of the representative profiles will decline as a result of indexation adjustments and the 2011-12 Budget initiative to increase the basic personal and spousal exemption amounts and the tax credit for dependent children. A negative value indicates that refundable tax credits exceed taxes payable.

The calculations upon which the performance measurements are based, are performed by the Ministry of Finance using internal tax simulation calculations. Each of the measures is based on determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- each family has two dependent children;
- for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- the single parent family and the two-income family claim \$3,000 in deductible child care expenses; and,
- each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions.

The Provincial Sales Tax is calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2009 (Statistics Canada). The refundable Saskatchewan Low-Income Tax Credit is also incorporated into the calculations.

## Measure

## Baseline / Trend Line Information

### Interprovincial tax comparisons for selected average family profiles

Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers

	2005	2006	2007	2008	2009	2010	2011
Single parent family earning \$25,000	3rd	3rd	3rd	2nd	2nd	2nd	1st
One-income family earning \$50,000	4th	4th	3rd	2nd	2nd	2nd	2nd
Two-income family earning \$75,000	4th	4th	4th	3rd	3rd	2nd	2nd

Source: Ministry of Finance, Tax Simulation Models and includes 2011-12 Saskatchewan Budget measures.

### Measure Description

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces. Saskatchewan's tax competitiveness relative to other provinces was improved in 2011 for all family profiles due to the full implementation of GST harmonization in British Columbia and Ontario and the 2011-12 Saskatchewan Budget initiative to increase the basic personal and spousal exemption amounts and the tax credit for dependent children.

The calculations upon which the performance measurements are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers.

- Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.
- Provincial sales taxes are calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2009 (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province.
- Refundable provincial income tax credits designed to reduce the impact of income and sales taxes are also incorporated into the calculations.



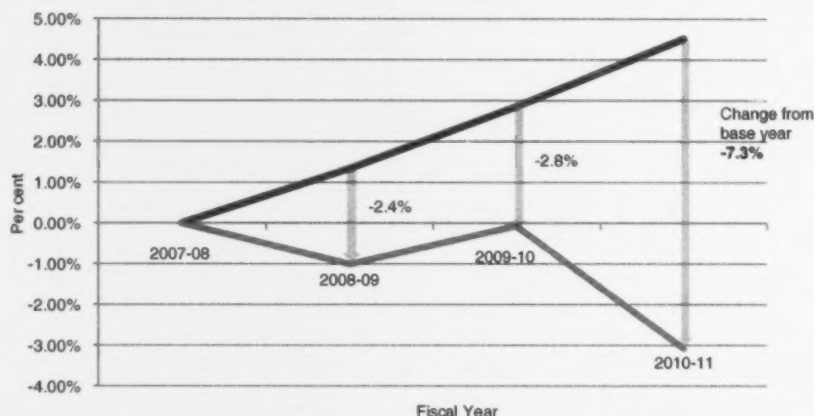
## Measure

### Public Service as a percentage of the Saskatchewan population

## Baseline / Trend Line Information

	2007-08 (Base Year)	2008-09	2009-10	2010-11	Change From Base <sup>4,6</sup>
Population at July 1 <sup>1</sup>	1,000,257	1,013,792	1,029,124	1,045,622	4.5%
Public Service FTEs	12,405	12,284	12,400	12,028 <sup>2</sup>	-3.0%
Public Service as percentage of population <sup>3</sup>	1.24%	1.21%	1.21%	1.15%	<b>-7.3%</b>

1. Population numbers are revised from Statistics Canada, as of July 1 of the fiscal year. This data is available on the Provincial Government Statistics Bureau website [www.stats.gov.sk.ca](http://www.stats.gov.sk.ca).
2. This amount is the 2010-11 Budget FTEs per the Estimates, less 162 FTEs estimated for employees not employed under The Public Service Act, 1998. Finance expects the 2010-11 actual FTEs to be at or below the budgeted amount. All other FTE values are "actuals".
3. Annual FTEs are determined and then divided by the population of Saskatchewan at July 1 of the fiscal year.
4. The per cent change from base is calculated using the following formula:  $((\text{Data for year of interest} - \text{Data for 2007-08}) / (\text{Data for 2007-08})) * 100\%$ .
5. This number will not calculate precisely from the table (for each year) due to rounding.



### Measure Description

One of Government's publicly stated objectives is to reduce the size of the public service. *The Growth and Financial Security Act* (section 33) requires Treasury Board to monitor the size of the public service as a percentage of the population and provides Treasury Board the authority to undertake initiatives respecting the size of the public service as appropriate and in keeping with Government's direction. In the 2010-11 Budget, the Government announced a Workforce Adjustment Strategy that will reduce the size of the public service by 15 per cent over four years.

Treasury Board uses the budget development process to manage the size of the public service. Treasury Board must balance Government's direction on the size of the public service with other Government priorities such as improved or enhanced programs and services and providing quality services to the public at the lowest cost to the taxpayer. Treasury Board will also make allowances for one-time events and in-year adjustments to deal with emergency or unforeseen events such as additional human resources to combat forest fires or spring flooding.

The purpose of this performance measure is to establish a baseline against which Government can monitor the size of the public service and gauge whether it is growing or diminishing relative to the Saskatchewan

population. The public release of this measure supports Government's commitment to increased transparency and accountability.

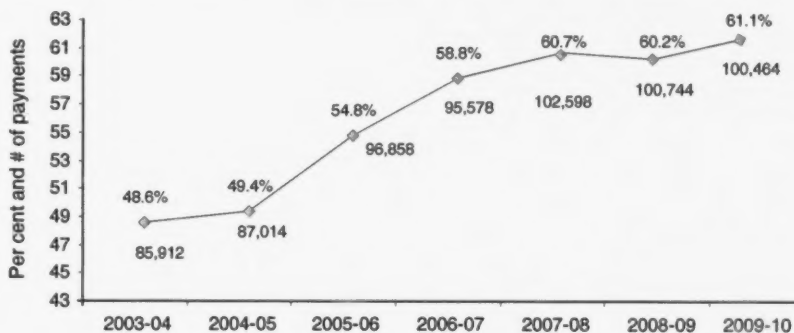
The public service is defined as employees of Executive Government employed under *The Public Service Act, 1998*, and therefore, does not include ministerial assistants and those employed under personal service contracts. The size of the public service is expressed in full-time equivalents (FTEs) for the fiscal year as defined in *The Growth and Financial Security Regulations*. An FTE is the number of paid hours in the year divided by the number of hours a full-time employee would normally be paid. This calculation converts part-time, full-time, temporary, and seasonal employees into a measure that treats all paid employees as if they are full-time for the entire year.

The chart above shows that the Saskatchewan population is growing steadily while the size of the public service declined in 2008-09, rebounded in 2009-10 but is now starting to decline significantly. Compared to the population, the public service has declined 7.3 per cent since 2007-08.

### Measure

### Baseline / Trend Line Information

#### Percentage of tax payments processed electronically



Source: Ministry of Finance, Revenue Division, Statistical Reports

#### Measure Description

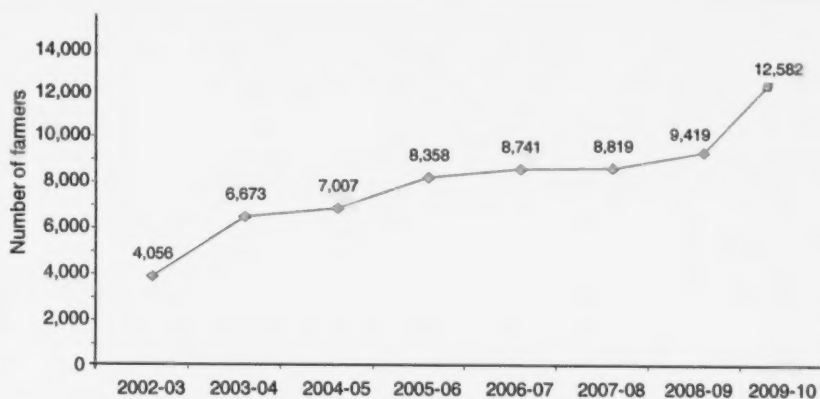
The Ministry strives to provide excellent client service by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically is a measure of performance of how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other business activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from statistical reports generated from the main revenue system.

The Ministry continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown significantly over the last five years and efforts to promote the use of electronic services will continue. However, the Ministry has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque. The decrease noted in the total volume of payments processed in 2009-10 is a direct reflection of the elimination of the Corporation Capital Tax on general corporations.

## Measure

**Number of farmers that applied for fuel tax permit renewals on-line**

## Baseline / Trend Line Information



Source: Ministry of Finance, SETS

### Measure Description

The Ministry strives to provide excellent client service by ensuring that all businesses have the ability to file tax returns and program applications on-line. Saskatchewan Electronic Tax Services (SETS) was enhanced in February 2002 to offer farmers, commercial fishers, loggers, and trappers a secure, fast, and convenient alternative to filing their Fuel Tax exemption permit renewal in paper format. The number of farmers that filed permit renewals on-line tracks the Ministry's progress towards easing tax compliance and reducing the regulatory burden.

The number of permit renewals filed using SETS has increased over 500 per cent in the last several years, and over 33 per cent in the last year. The promotion of SETS has contributed to the significant increase in the number of applicants using SETS in 2009-10. The Ministry continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration. However, the Ministry has limited influence over this measure as many applicants do not have access to a computer with an Internet connection or simply prefer to mail in a completed application.

## Measure

## Baseline / Trend Line Information

### Provincial Auditor's assessment of Government's accountability systems

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of Ministry plans and reports
2010 Report	N/A	N/A
2009 Report, Vol. 3, Ch. 19	Improving	Improving **
2008, Vol. 3, Ch. 20	Partial	N/A
2007, Vol. 3, Ch. 9	Partial	N/A *
2006, Vol. 3, Ch. 14	Yes	Positive
2005, Vol. 3, Ch. 9 & 11	Yes	Positive
2004, Vol. 3, Ch. 15	Yes	Positive
2003, Vol. 3, Ch. 13	Yes	Positive

Source: Provincial Auditor's Reports, available on-line at [www.auditor.sk.ca](http://www.auditor.sk.ca)

\* The Provincial Auditor's (PA) approach to assess government's accountability system differed over the years; from 2003-06, the PA assessed Finance's processes, guidelines and a small sample of ministry plans; from 2007 on, the PA's focus shifted to solely examine government's accountability system and processes.

\*\* In 2009, the PA assessed only a small sample of ministries but concluded that "public plans of ministries are improving".

### Measure Description

This measure tracks the Provincial Auditor's assessment of Government's overall accountability system and the quality of ministry plans and annual reports. The Auditor's independent assessment of the work being done helps the Ministry of Finance gauge its progress towards the following strategy: demonstrate leadership for good governance, transparency, and accountability across Government.

In the *2009 Report, Volume 3*, the Provincial Auditor indicated ministry plans and annual reports, which use the Ministry of Finance's guidelines, are improving. Previously, while plans and reports were improving steadily, the Auditor was only partially satisfied with Government's progress because the schedule to fully implement the CCAF principles for public reporting was not followed as originally anticipated.

Elements suggested by the CCAF, such as the publication of targets for performance measures, the description of a ministry's capacity to meet outcomes, and the publication of risks facing the ministry, were not required of all ministries. These are challenges commonly found in other jurisdictions as governments improve their techniques for reporting on the performance of public sector activities.

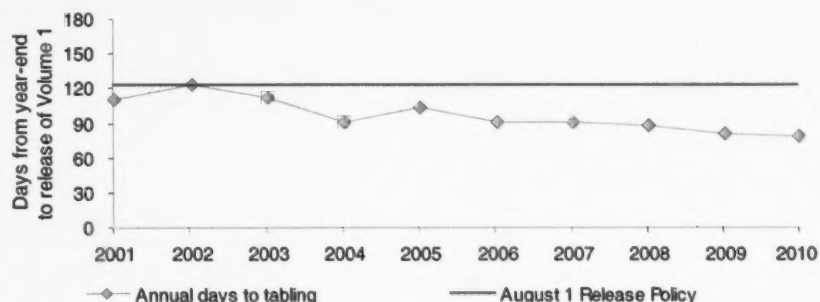
The Provincial Auditor has subsequently moved to assessing plans and reports according to the Public Sector Accounting Board Statement of Recommended Practice (SORP-2) principles for effective reporting. In the Fall 2010 Report, the Provincial Auditor did not write a specific chapter on government accountability and therefore did not specifically assess Government's processes and guidelines nor Ministry plans and annual reports. However, the Provincial Auditor's *Business and Financial Plan For the Year Ended March 31, 2012* includes goals, objectives, actions and performance indicators that relate to Government's accountability and reporting practices. The Auditor plans to assess the Government's *Performance Plan Summary*, as well as the performance plans and annual reports of significant agencies, against the SORP-2 reporting attributes starting in 2011.

This performance measure is not solely within the control of the Ministry. Steps are being taken across Government to continually improve the quality and accessibility of documents therefore increasing transparency and accountability to the public.

## Measure

## Baseline / Trend Line Information

### Timeliness of the Release of Public Accounts, Volume 1



Source: Saskatchewan Public Accounts

### Measure Description

Continued strong financial reporting is essential to strong accountability. The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled, in accordance with *The Financial Administration Act, 1993 (FAA)*. The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other government organizations.

The FAA requires the Public Accounts to be tabled on or before October 31. However, a policy has been in place since 2000 for tabling Volume 1 of the Public Accounts, on or before August 1. For the last several years, the Government has been in a position to table Volume 1 in late June or early July.

The timely reporting of Volume 1, which contains the General Revenue Fund Financial Statements and the Summary Financial Statements, demonstrates Finance's leadership for good governance, transparency, and accountability across government.

### Percentage of Entities Meeting Tabling Deadline

Year	Percentage of Entities Meeting Tabling Deadline
2010-11	86%
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

### Measure Description

Continued strong financial reporting is essential to strong accountability. The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their financial statements within 120 days of their year-end.

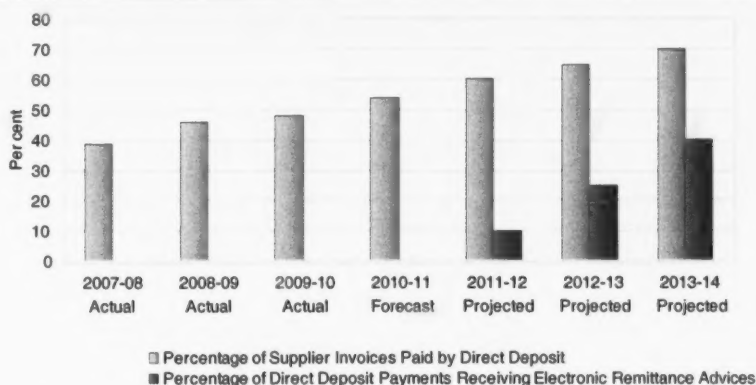
The Ministry, on behalf of Treasury Board, provides approval of the form and content of the financial statements in advance of the tabling. Finance also communicates tabling deadlines and monitors compliance with these deadlines. Finance's role contributes to timely, reliable, and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates Finance's leadership for good governance, transparency, and accountability across government.



## Measure

**Direct Deposit usage and Electronic Advice usage for supplier invoices paid by the Government**

## Baseline / Trend Line Information



### Measure Description

Continued improvements in the efficiency of the Government's payment processes through the use of direct deposit and electronic advices, contributes to the best use of public funds. Over the next three years, a campaign will be undertaken to increase direct deposit use and electronic advice use by suppliers that do business with the Government.

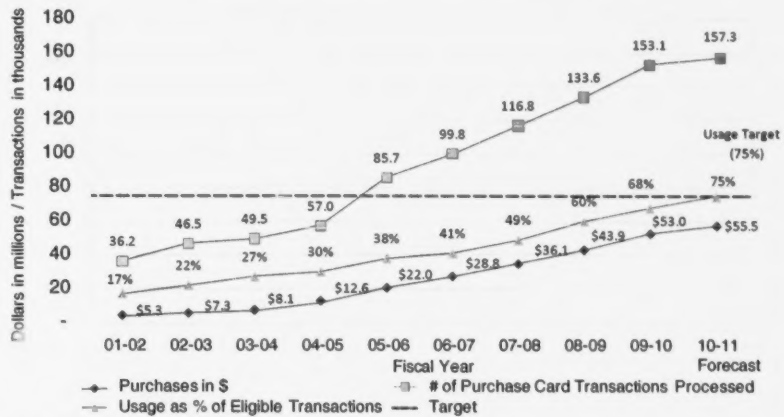
Currently, 54 per cent of supplier invoices are made by direct deposit. The target is to increase that to 70 per cent direct deposit; and of those receiving direct deposit, the target is to have 40 per cent receiving electronic remittance advices. This target is based on a pilot that was conducted during the 2010-11 fiscal year. The uptake of both these initiatives is dependent on the acceptance by suppliers. The use of electronic remittance advices is also limited by the availability and acceptance of the internet by suppliers.



## Measure

### Purchase card usage in the Government

## Baseline / Trend Line Information



### Measure Description

Purchase cards are a cost-effective way of making payments. Through the use of purchase cards, the Government is able to reduce administration and costs associated with the processing and payment of low dollar value purchases of goods and/or services up to a \$5,000 per transaction limit.

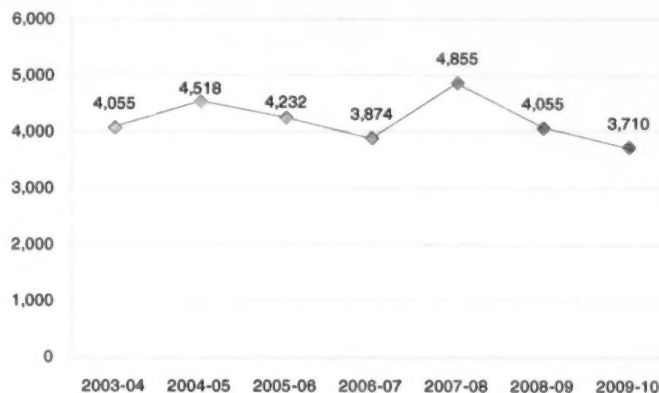
The total number and dollar value of purchase card transactions provides a measure of the level of efficiency being achieved. Recognizing that not all transactions can be paid by purchase cards, the Government has set a usage target of 75 per cent of eligible purchases.

At the end of 2009-10, the number of purchases has reached 153,000 transactions totalling \$53 million. This represents a purchase card usage of 68 per cent. This is a significant improvement from the inception of the purchase card program. The Ministry continues to work to improve the usage across Government, which contributes to the best use of public funds.

## Measure

**Number of audits conducted on businesses liable for taxes under the statutes administered by Finance**

## Baseline / Trend Line Information



Source: Ministry of Finance, Revenue Division, Time Control Tracking System

### Measure Description

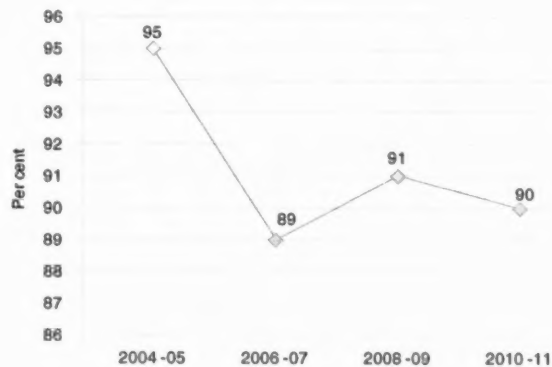
Finance administers several provincial government revenue and tax rebate programs. This work involves identifying and collecting tax revenues, conducting audits, issuing tax refunds, and providing information related to tax and rebate programs. The number of audits performed in 2009-10 was down from the previous year due to staff turnover and resource constraints.

In 2011-12 Finance will focus its efforts on overall tax compliance including audit, education, and outreach with a continued emphasis on higher risk, complex audits. A reasonable target for the number of audits that will be conducted in 2011-12 is 3,700. Audits are selected based on level of risk to protect and preserve revenue base, maintain a level playing field for businesses operating in the province, and promote voluntary compliance.

## Measure

**Client Satisfaction  
(of businesses  
which collect  
taxes on behalf of  
government)**

## Baseline / Trend Line Information



Source: Ministry of Finance

### Measure Description

In 2002-03, the Ministry of Finance committed to conducting bi-annual client satisfaction surveys of businesses collecting taxes on behalf of Government. This measures whether these clients are satisfied with the Ministry's quality of service and timeliness of responses, refunds, and adjustments. This allows businesses to evaluate the Ministry's performance and helps the Ministry determine how its timeliness of responses, refunds, and adjustments may be improved.

In 2010, surveys were sent to 534 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax and Corporation Capital Tax. The response rate for the surveys was 28 per cent.

The highest satisfaction rating related to "helpfulness of staff," where 93 per cent of respondents were satisfied or very satisfied. The overall satisfaction rating for all questions and all tax types was 90 per cent, down slightly from 91 per cent in 2008, but up slightly from 89 per cent in 2006.

For the 2010 client satisfaction survey, the Revenue Division consulted with the Canadian Federation of Independent Business to develop and incorporate a few additional, more specific questions to better measure client satisfaction. These questions were structured to ensure comparative information integrity with previous surveys. This survey follows the same methodology, survey format, sample size criteria, and response choices as the 2008 survey.

The bi-annual client satisfaction survey will be conducted again in 2012-13 as a means of measuring client satisfaction.

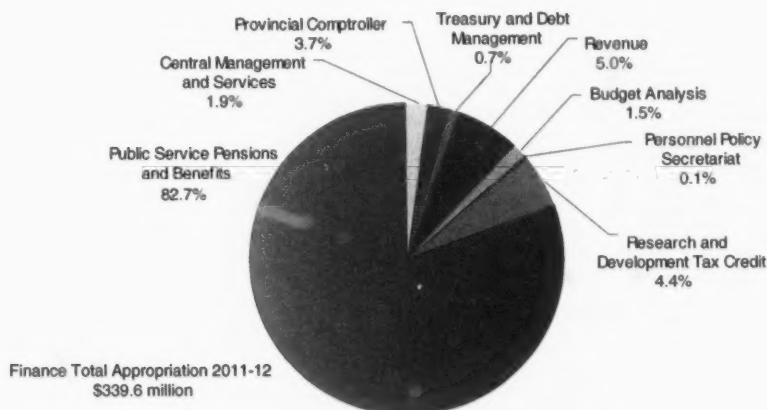
# Financial Summary

## Highlights of Appropriation and Expense 2011-12

2011-12 Estimates	(in thousands of dollars)
Central Management and Services	6,346
Treasury and Debt Management	2,328
Provincial Comptroller	12,517
Budget Analysis	5,018
Revenue	16,893
Personnel Policy Secretariat	469
Research and Development Tax Credit	15,000
Miscellaneous Payments	140
<b>Appropriation</b>	<b>58,711</b>
Capital Asset Acquisitions	(950)
Capital Asset Amortization	1,150
<b>Expense</b>	<b>58,911</b>
Public Service Pensions and Benefits	280,860
<b>Total Expense</b>	<b>339,771</b>
<b>Total Appropriation</b>	<b>339,571</b>
<b>FTE Staff Complement</b>	<b>310.3</b>

For more information, see the Budget Estimates at: <http://www.finance.gov.sk.ca/budget2011-12/>

### Composition of 2011-12 Ministry of Finance Appropriation by Subvote



# HIGHLIGHTS

## ***2011-12 General Revenue Fund (GRF) Budget Highlights***

The Government of Saskatchewan will table another balanced budget for the people of Saskatchewan.

- The General Revenue Fund surplus is estimated to have a pre-transfer surplus of \$115 million.
- The Growth and Financial Security Fund is estimated to be \$710.8 million at the end of 2011-12.
- Taxes will be reduced, debt will fall, and public services will be improved.

We will continue to foster economic growth and improve the Province's fiscal strength through several key initiatives, including the following:

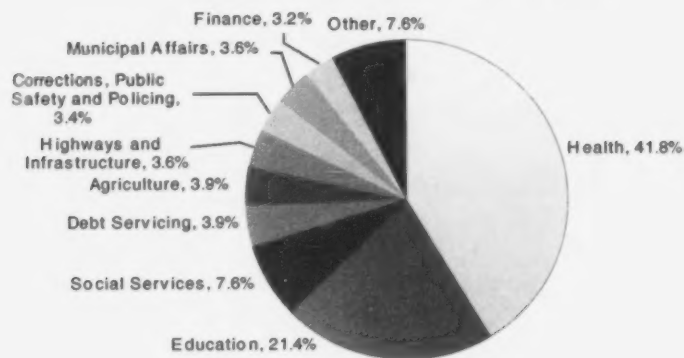
- The basic personal exemption on provincial income tax will rise by \$1,000, meaning taxpayers will pay no income tax on their first \$14,535 of earnings. Deductions for dependent children will also rise by \$500 to \$5,514 per child.
- The small business tax rate will fall to 2.0 per cent from 4.5 per cent, making it the second lowest in the country.
- Government general public debt will be paid down by a further \$325 million, leaving debt at \$3.8 billion, the lowest level since 1987-88.
- The Province will complete the second phase of Education Property Tax reform by further reducing mill rates and boosting the level of education funding by \$55.6 million.
- The final phase of Municipal Revenue Sharing will also be completed, putting \$216.8 million into the hands of municipalities.

We will improve the quality of life for all Saskatchewan citizens by investing in valued public services.

- \$250 million increase in funding for Regional Health Authorities (RHAs) in operating funding, along with targeted funding of \$3.6 million for specific programs such as revitalizing the Kidney Transplant Program, as well as enhancements for Fetal Alcohol Spectrum Disorder (FASD) and Autism Spectrum Disorder interventions.
- \$12.6 million increase in funding for the Saskatchewan Cancer Agency.
- \$556.2 million in Highways spending, including \$285 million for repaving and capital infrastructure projects, and \$129 million for maintenance and restoration work on roads and bridges.
- \$24.8 million increase in funding through Advanced Education to allow post-secondary institutions to hold tuition increases to three per cent.
- \$3 million to establish a new Saskatchewan Advantage Scholarship.
- \$34 million for a cross-government response to the Child Welfare Review recommendations, improving and co-ordinating foster care services.

## HIGHLIGHTS (CONT'D)

**Composition of 2011-12 GRF Expense**



### For More Information

Please visit the Ministry's website at [www.finance.gov.sk.ca](http://www.finance.gov.sk.ca) for more information on the Ministry's programs and services, or call (306) 787-6623.



